DS-252

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name: JD Hofland - Evaporation Pit	**Proposed Implementation Date:** Spring 2007
Proponent: JH Oil Company, P.O. Box 267 Kevin, MT 59454-0267	
Type and Purpose of Action: The purpose of this proposal is to contain formation water that is produced from several Oil wells within Lease # 16242-74. The type of proposal is to construct a containment pit with sufficient holding capacity to meet the discharge volumes produced from the lease. (See enclosed map for location.) Total area to be impacted will be approximately .792 acres. (See attachment for schematic and calculations.)	
Location: T34N – R 2W – Sec 18 SENW	**County:** Toole – common schools

I. PROJECT DEVELOPMENT	
1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED: Provide a brief chronology of the scoping and ongoing involvement for this project.	DNRC, MMB, Subsurface/Surface owner J H Oil Company, Mineral Lease/Operator Kim Peltier, Surface Lease
2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:	Montana Board of Oil & Gas (Permit To Construct Or Operate An Earthen Pit) Montana DNRC Under O&G Lease # 16242-74 Rule 36.22.1226 (Disposal Of Water)
3. ALTERNATIVES CONSIDERED:	Deny the request

II. IMPACTS ON THE PHYSICAL ENVIRONMENT		
RESOURCE	**[Y/N]** N = Not Present or No Impact will occur. Y = Impacts may occur (explain below)	**POTENTIAL IMPACTS**
4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE: Are fragile, compactable or unstable soils present? Are there unusual geologic features? Are there special reclamation considerations? Are cumulative impacts likely to occur as a result of this proposed action?	[N]	This proposal will take place on northern glaciated plains. The general topography consists of a lake playa and glaciated uplands. The soils are dominated by heavy clay textures. Cumulative impacts are not anticipated as a result of this action.
5. WATER QUALITY, QUANTITY AND DISTRIBUTION: Are important surface or groundwater resources present? Is there potential for violation of ambient water quality standards, drinking water	[Y]	The objective of this proposal is to contain formation water being derived from oil well production from the Madison

II. IMPACTS ON THE PHYSICAL ENVIRONMENT	
maximum contaminant levels, or degradation of water quality? Are cumulative impacts likely to occur as a result of this proposed action?	Formation. Well bore water chemistry has been analyzed periodically and meets the standard requirements.
6. AIR QUALITY: Will pollutants or particulate be produced? Is the project influenced by air quality regulations or zones (Class I air shed)? Are cumulative impacts likely to occur as a result of this proposed action?	[Y] If there is natural gas associated with the oil production, there will be some hydrogen sulfide emissions from the lease. Air quality emissions are regulated by DEQ. If sulfur emissions are generated from the lease, this will have a negative impact to area residents.
7. VEGETATION COVER, QUANTITY AND QUALITY: Will vegetative communities be permanently altered? Are any rare plants or cover types present? Are cumulative impacts likely to occur as a result of this proposed action?	[Y] Vegetation will be affected, as the proposed action will impact .792 acre area. At the time of the field inspection part of the proposal is void of vegetation and part of the proposed area is made up of foxtail, salt grass, alkali sacaton, and western wheat grass. These plant species within the area of proposal will be impacted as long as the lease is in oil production.
8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS: Is there substantial use of the area by important wildlife, birds or fish? Are cumulative impacts likely to occur as a result of this proposed action?	[Y] The introduction of water to the area appears to have benefited wildlife. The existing pits on this lease are used by ducks, geese, and other water birds. The vegetation has also changed around the existing pits. The banks are made up of sedges, rushes, and cat tails.
9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES: Are any federally listed threatened or endangered species or identified habitat present? Any wetlands? Sensitive Species or Species of special concern? Are cumulative impacts likely to occur as a result of this proposed action?	[N] There are no endangered or threatened species or habitat present on this site.
10. HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present?	[N] During the field inspection there were no historic sites found. The lease records also indicated no cultural sites present.
11. AESTHETICS: Is the project on a prominent topographic feature? Will it be visible from populated or scenic areas? Will there be excessive noise or light? Are cumulative impacts likely to occur as a result of this proposed action?	[N] There are no prominent topographic features in the proposed area.
12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, and AIR OR ENERGY: Will the project use resources that are limited in the area? Are there other activities nearby that will affect the project? Are cumulative impacts likely to occur as a result of this proposed action?	[N] There are basically only two major industries within this proposed area. They are agricultural and petroleum industries and both work quite well together.
13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA: Are there other studies, plans or projects on this tract? Are cumulative impacts likely to occur as a result of other private, state or federal current actions w/n the analysis area, or from future proposed state actions that are under MEPA review (scoping) or permitting review by any state agency w/n the analysis area?	[N] None

III. IMPACTS ON THE HUMAN POPULATION	
RESOURCE	**[Y/N] POTENTIAL IMPACTS AND MITIGATION MEASURES**
14. HUMAN HEALTH AND SAFETY: Will this project add to health and safety risks in the area?	[N] This project will not add to the health and safety of the area.
15. INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION: Will the project add to or alter these activities?	[Y] The results of this project will contribute to oil production of the area. This particular area is dependent upon both the petroleum and agricultural industries.
16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so, estimated number. Are cumulative impacts likely to occur as a result of this proposed action?	[N] This project will not create any new jobs, as the project will be completed in house by the proponent.
17. LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue? Are cumulative impacts likely to occur as a result of this proposed action?	[Y] This project will create tax revenue from the sale of continued oil production.
18. DEMAND FOR GOVERNMENT SERVICES: Will substantial traffic be added to existing roads? Will other services (fire protection, police, schools, etc) be needed? Are cumulative impacts likely to occur as a result of this proposed action?	[Y] There will be no influx of traffic resulting from this project.
19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS: Are there State, County, City, USFS, BLM, Tribal, etc. zoning or management plans in effect?	[N] None
20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES: Are wilderness or recreational areas nearby or accessed through this tract? Is there recreational potential within the tract? Are cumulative impacts likely to occur as a result of this proposed action?	[N] There are no wilderness or recreational sites accessed through this tract.
21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: Will the project add to the population and require additional housing? Are cumulative impacts likely to occur as a result of this proposed action?	[N] None
22. SOCIAL STRUCTURES AND MORES: Is some disruption of native or traditional lifestyles or communities possible?	[N] None
23. CULTURAL UNIQUENESS AND DIVERSITY: Will the action cause a shift in some unique quality of the area?	[N] None
24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES: Is there a potential for other future uses for easement area other than for current management? Is future use hypothetical? What is the estimated return to the trust. Are cumulative impacts likely to occur as a result of this proposed action?	[Y] This project can benefit the State of Montana in terms of oil royalties produced from lease # 16242-74.

EA Checklist Prepared By: STEVE DOBSON (Name) LUS (Title) Date: May 4, 07

IV. FINDING	
25. ALTERNATIVE SELECTED:	Grant Montana Land and Exploration Inc. authorization to install evaporation pit for the state lease OG-16242-74.
26. SIGN4IFICANCE OF POTENTIAL IMPACTS:	The proposed evaporation pit is located on lease next to tank batteries in an existing low area. It is an enlargement of an existing evaporation pit. Negative environmental impacts are not expected. Mt DNRC BOOG has approved a permit to construct and operated an earthen pit. Surface damages have been settled with the state in the amount of $500.00. The evaporation pit will allow state OG lease to produce and will benefit the school trust in terms of increase royalty payments.
27. Need for Further Environmental Analysis: [ ] EIS [ ] More Detailed EA [X] No Further Analysis	

EA Checklist Approved By: Erik Eneboe (Name) Conrad Unit Manager - CLO (Title)

June 4, 2007

Signature Date